

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF	)	CASE NO.
SOUTH 641 WATER DISTRICT	)	2016-00429

ORDER

On December 9, 2016, South 641 Water District (“South 641”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. South 641 purchases water from the Murray Water and Sewer System (“Murray”).
2. Murray notified South 641 that its wholesale rate to South 641 would increase from \$2.21 per 1,000 gallons to \$2.43 per 1,000 gallons effective January 1, 2017.<sup>2</sup> South 641 proposes to increase the water rates to its customers effective January 1, 2017, to reflect the increased cost of purchased water.
3. South 641 proposes a purchased water adjustment factor of \$0.26 per 1,000 gallons.
4. During the 12 months ended September 30, 2016, South 641 purchased 18,369,500 gallons of water from Murray. During the same period, South 641 sold

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<sup>1</sup> KRS 278.012; 807 KAR 5:068.

<sup>2</sup> TFS 2015-00340 (Ky. PSC filed May 28, 2015); the tariff was accepted for filing by the Commission by letter dated July 1, 2015.

15,759,280 gallons of water. The increase in the cost of purchased water is \$4,041.29, resulting in a purchased water adjustment factor of \$0.26 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.26 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. South 641's proposed rates as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by South 641 on and after January 1, 2017.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.26 per 1,000 gallons is approved.

2. South 641's proposed rates as set forth in Appendix B to this Order are approved for water service rendered by South 641 on and after January 1, 2017.

3. Within 20 days of the date of this Order, South 641 shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission

ENTERED  
JAN 04 2017  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
 COMMISSION IN CASE NO. 2016-00429 DATED **JAN 04 2017**

	New Rate	Base Rate
Murray		
Purchases in gallons	18,369,500	18,369,500
Volumetric rate	<u>\$ 2.43/1,000</u>	<u>\$ 2.21/1,000</u>
	\$44,637.89	\$40,596.60
Increased water cost		\$4,041.29
Increased water cost		\$ 4,041.29
Divided by gallons sold/1,000		<u>15,759,280</u>
Purchased water adjustment factor		\$ 0.2564 per 1,000 gallons
	or	\$ 0.26 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2016-00429 DATED **JAN 04 2017**

The following rates and charges are prescribed for the customers in the area served by South 641 Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$ 19.54 Minimum Bill
Next	3,000 gallons	7.54 per 1,000 gallons
Next	5,000 gallons	6.63 per 1,000 gallons
Over	10,000 gallons	5.74 per 1,000 gallons
Bulk Sales		5.74 per 1,000 gallons

\*South 641 Water District  
Highway 641 South  
P. O. Box 126  
Hazel, KY 42049

\*John Paschall  
Chairman of the Board  
South 641 Water District  
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